

The People's Budget: Budget of the Congressional Progressive Caucus

U.S. House of Representatives

Washington, DC 20515

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Fiscal Year 2012

Executive Summary

Budgets are more than collections of numbers; they are a statement of our values. The Congressional Progressive Caucus Budget is a reflection of the values and priorities of working families in this country. The "People's Budget" charts a path that keeps America exceptional in the 21st century, while addressing the most pressing problems facing the nation today. Our Budget eliminates the deficit and stabilizes the debt, puts Americans back to work, and restores our economic competitiveness.

The CPC Budget addresses these problems by listening to the American people. In poll after poll, they are telling us, their representatives in the American government, that they want to preserve Social Security, Medicare, and Medicaid, to make higher education more affordable, to expand job training programs, to cut taxes burdening the middle class, to subsidize affordable housing, and to provide financial assistance for those struggling to prevent foreclosures.

The majority of America thinks cuts to Social Security, Medicare and Medicaid, K-12 education, heating assistance to low-income families, student loans, unemployment insurance, and scientific and medical research are completely unacceptable. In contrast, Americans find a progressive tax policy very acceptable. The overwhelming majority of America supports additional taxes on millionaires and billionaires, eliminating unnecessary weapons systems, eliminating tax credits for the oil and gas industries, phasing out Bush tax cuts, and eliminating subsidies for new nuclear power plants. Poll after poll give voice to what Americans are asking of us.

Our Budget, in response, listens to what the American people are telling us. It does all of the above in a fiscally responsible way that dramatically reduces our borrowing from banks and foreign governments and ensures our long-term economic competitiveness. It does all of the above recognizing that in order to compete, we need every American to be productive, and in order to be productive, we need to raise the skill level of every American and meet the basic needs of every working family. It does all of the above while remaining rooted in fairness, recognizing that America works only when everyone has an opportunity to make it in America.

Our Budget Eliminates the Deficit by 2021

The CPC budget eliminates the deficit in a way that does not devastate what Americans want preserved, specifically, Medicare, Medicaid, and Social Security. Instead of eroding America's hard earned retirement plan social safety net, our budget targets the true drivers of deficits in the next decade: the Bush Tax Cuts, the wars overseas, and the causes and effects of the recent recession. By implementing a fair tax code, by building a resilient American economy, and by bringing our troops home, we achieve a budget surplus of over \$30 billion by 2021 and we end up with a debt that is less than 65% of our GDP. This is what sustainability looks like.

Our Budget Puts America Back to Work & Restores America's Competitiveness

The CPC budget rebuilds America and makes it competitive again. We put America back to work. We rebuild our roads and bridges, ensuring that those who use it help pay for it. We rebuild our dams and waterways with seed money for shipping systems that can compete with the rest of the world. We rebuild our education system by training more and better teachers, restoring schools, helping each student graduate, and supporting community colleges. This is what competitiveness looks like.

Our Budget Creates a Fair Tax System

The CPC budget implements a fair tax system based on the American notion that fairness and equality are integral to our society. Our budget restores fairness to a system that unfairly benefitted the richest few while hurting the majority of America. Our budget heeds America's call to end the Bush Tax Cuts and the estate tax and create fair tax brackets for millionaires and billionaires while maintaining credits for the middle class and students. It ensures that the banks that wrecked our economy pay a modest financial responsibility fee and that exotic trading by Wall Street traders who ambled away America's savings is levied a tax. It guarantees that hedge fund managers (and those who use them) do not get special treatment by taxing capital gains and dividends as ordinary income.

It eliminates charity to oil companies making record profits from prices paid at the pump by the American people, given that it is unfair that the American people must also give these oil companies millions of dollars in handouts. Finally, our budget taxes US corporate income as it is earned, in much the same way Americans are taxed. This is what fairness looks like.

Our Budget Brings Our Troops Home

The CPC budget responsibly ends our wars that are currently paid for by American taxpayer dollars we do not have. We end these wars not simply to save massive amounts of money or because the majority of America is polling in favor to do so, but because these wars are making America less safe, are reducing America's standing in the world, and are doing nothing to reduce America's burgeoning energy security crisis. The CPC budget offers a real solution to these fiscal, diplomatic and energy crises, leaving America more secure, both here and abroad. The CPC budget also ensures that our country's defense spending does not continue to contribute significantly to our current fiscal burden - a trend we reverse by ending the wars and realigning conventional and strategic forces, resulting in \$2.3 trillion worth of savings. This is what security looks like.

Our Budget's Bottom Line

* Deficit reduction of \$5.6 trillion

* Primary spending cuts of \$869 billion

- * Net interest savings of \$856 billion
- * Total spending cuts of \$1.7 trillion
- * Revenue increase of \$3.9 trillion
- * Public investment of \$1.7 trillion
- * Budget surplus of \$30.7 billion in 2021, debt at 64.1% of GDP.

Read the entire budget proposal here: